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April 19, 2013

To: Chairman Julius Genachowski  
Commissioner Mignon Clyburn  
Commissioner Robert M. McDowell  
Commissioner Ajit Pai  
Commissioner Jessica Rosenworcel

Re: Use of CAF Phase I Incremental Support to Compete with Broadband Stimulus Projects

Honorable Chair and Commissioners:

Southwest Minnesota Broadband Services (SMBS) was awarded a combination of grants and low cost loans as part of the Recovery Act's Broadband Infrastructure Program (BIP). The business case for this project was built around the idea of serving some 3,649 households in some very rural areas of Minnesota. The SMBS BIP project will serve 705 census blocks. CenturyLink, the incumbent carrier, filed comments which identified census blocks that will be served by the SMBS BIP project. SMBS seeks your help to ensure CAF funding is not used to compete with the SMBS BIP project.

SMBS was awarded BIP grants and loans to provide fiber-to-the-premises broadband service in areas the incumbent service provider had elected not to serve.<sup>1</sup> At least two other carriers<sup>2</sup> have filed objections with the Commission because CenturyLink has announced its intent to use CAF dollars to compete in BIP project service areas. CenturyLink proposes to use the gap in the Commission's directives, because broadband service may not currently be available, but construction is in progress. CenturyLink's filing<sup>3</sup> lists 66 of the most populated census blocks in the SMBS BIP Project. The gap in Commission policies and rules enabled ostensibly allows such a double expenditure of federal dollars within the same footprint. Failure to address this policy gap will enable the expenditure of CAF project dollars and BIP project dollars within a relatively sparsely populated area.

Southwest Minnesota Broadband Services requests Commission to modify its rules to ensure CAF support funds are not available to carriers in an area already funded by a BIP Projects. Further, SMBS asks the Commission to require applicants to certify that there is no overlap with BIP or BTOP-funded service areas. Finally the National Broadband Map should be modified to provide a view of the census blocks where CAF and BIP dollars are being awarded, to ensure there is no overlap.

Should you have any questions about this matter, please contact me.

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<sup>1</sup> Southwest Minnesota Broadband Services was awarded \$12.7M in grants and low cost loans

<sup>2</sup> *Connect America Fund*, WC Docket No. 10-90 – Comments of Arrowhead Electric Cooperative; Comments of Lake Communications

<sup>3</sup> *Connect America Fund*, WC Docket No. 10-90 – Comments of CenturyLink January 9, 2013

3/12/2013

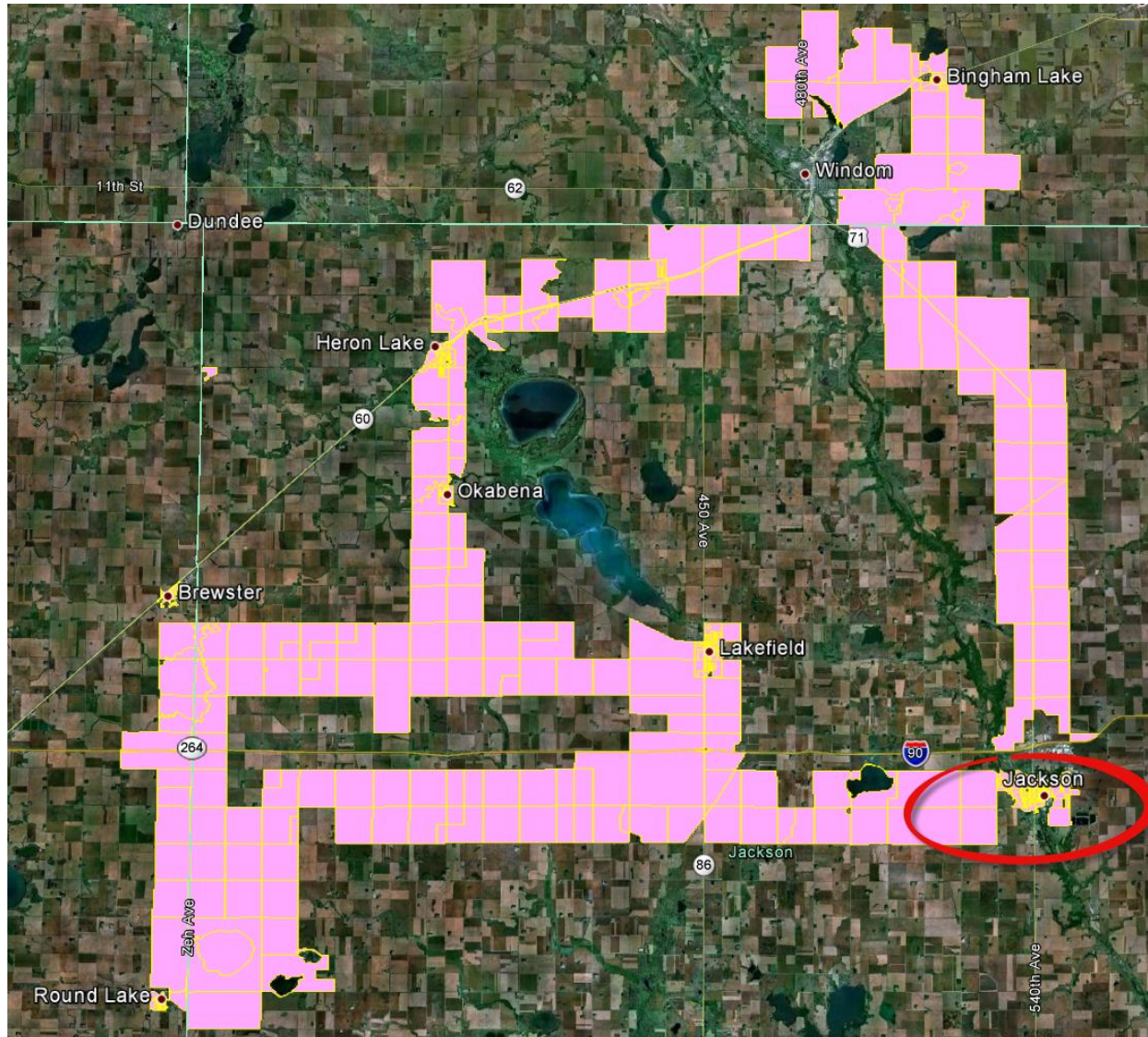
Sincerely,

/s/ Dan Olsen

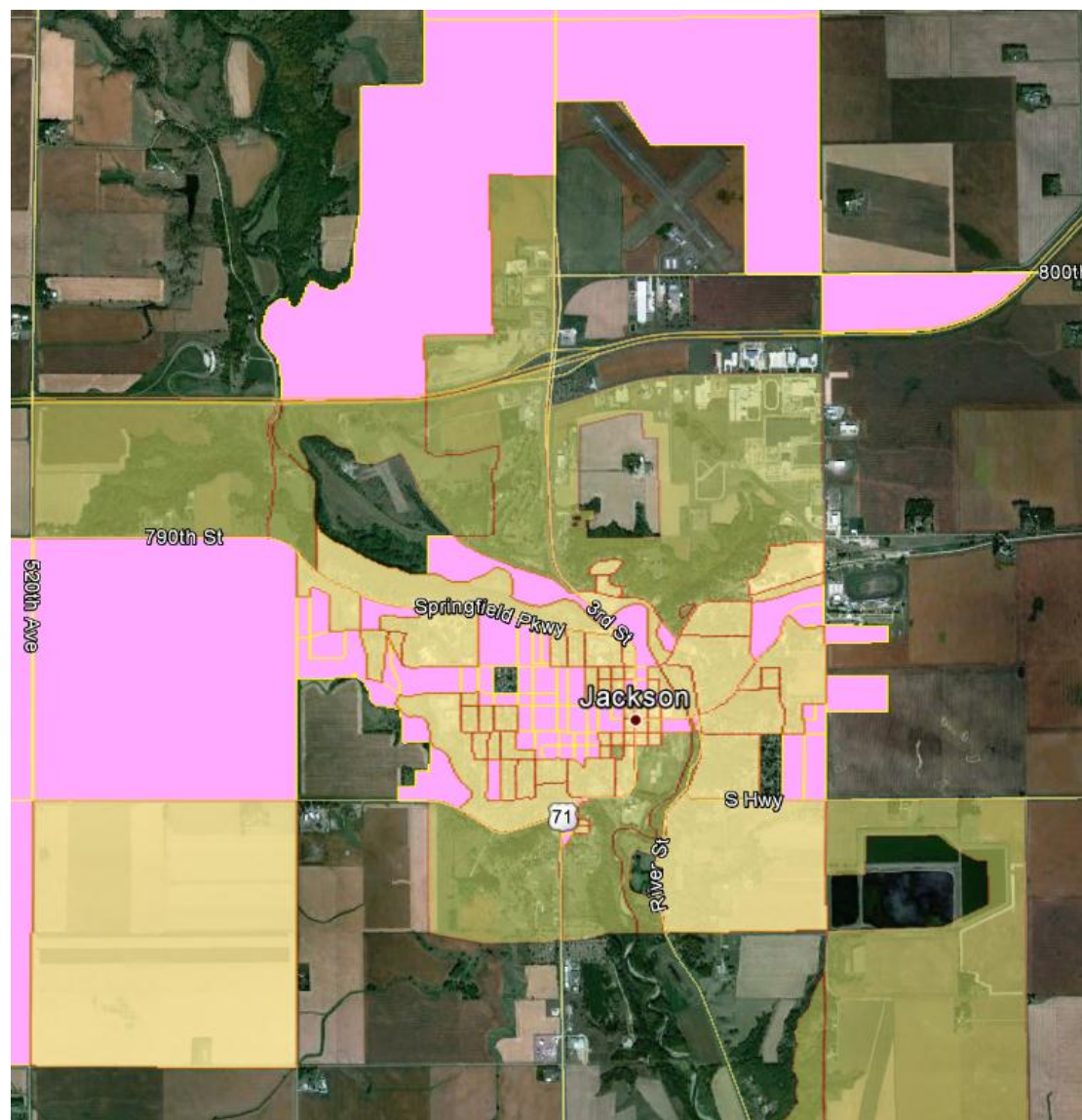
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Dan Olsen  
General Manager  
Southwest Minnesota Broadband Services




Attachments



Southwest Minnesota Broadband Services – BIP Project with overlap area circled.



**LEGEND**

	CenturyLink CAF (no overlap with Lake)
	SMBS BIP (no overlap with CenturyLink)
	Overlap of BIP and CAF

**DATA SOURCE**

CenturyLink Reply Filing  
 SMBS BIP Application



**Listing of Census Blocks Where CAF Funding would overlap with Southwest Minnesota Broadband BIP Project**

<b>GEOID10</b>	
<b>Fully Served</b>	<b>CenturyLink Addendum</b>
270634804001003	X
270634804001004	X
270634804001010	X
270634804001011	X
270634804001012	X
270634804001014	X
270634804001018	X
270634804001019	X
270634804001020	X
270634804001022	X
270634804001025	X
270634804001026	X
270634804001029	X
270634804001031	X
270634804001032	X
270634804001033	X
270634804002002	X
270634804002003	X
270634804002006	X
270634804002008	X
270634804002011	X
270634804002018	X
270634804002018	X
270634804002019	X
270634804002020	X
270634804002022	X
270634804002023	X
270634804002033	X
270634804002034	X
270634804002035	X
270634804002036	X
270634804002041	X
270634804002042	X
270634804002043	X
270634804002046	X
270634804002047	X
270634804003004	X
270634804003005	X
270634804003005	X
270634804003006	X
270634804003008	X

Listing SMBS Project Census Block Overlap 2

270634804003009	X
270634804003010	X
270634804003011	X
270634804003012	X
270634804003015	X
270634804003016	X
270634804003017	X
270634804003018	X
270634804003027	X
270634804004002	X
270634804004005	X
270634804004010	X
270634804004011	X
270634804004017	X
270634804004018	X
270634804004019	X
270634804004021	X
270634804004022	X
270634804004023	X
270634804004024	X
270634804004025	X
270634804004032	X
270634804004033	X

**GEOID10**

**Partially Served**

270634801002234	X
270634804002013	X